

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

[AGENCY 65]

SENATOR HEIDEMANN: Anyone else wishing to testify on Agency 87? Seeing none, we will close the public hearing on Agency 87 and open up the public hearing on Agency 65, the Department of Administrative Services. [AGENCY 87]

CARLOS CASTILLO: You guys are zooming along today. [AGENCY 65]

SENATOR HEIDEMANN: Doing good. [AGENCY 65]

SENATOR NANTKES: We're efficient in this branch. (Laughter) [AGENCY 65]

SENATOR NELSON: Occasionally. Tell me about yesterday. [AGENCY 65]

CARLOS CASTILLO: I'm ready when you are. [AGENCY 65]

SENATOR HEIDEMANN: Shoot away. [AGENCY 65]

CARLOS CASTILLO: Good afternoon, Senator Heidemann, members of the Appropriations Committee, my name is Carlos Castillo, C-a-s-t-i-l-l-o. I'm the director of the Department of Administrative Services. As you know, Administrative Services is responsible for many of the operational functions of state government. This afternoon I'd like to talk to you about several areas where the reductions you made in your preliminary budget recommendations differ from the Governor's recommendation and could dramatically impact the efficiency of the department. First, I'd like to talk about the revolving fund reduction which was prioritized for a talent management solution. As many of you know, modernizing the state's human resource functions is critical. Our current system's hardware and software is so outdated that it is no longer supported. It's imminent failure will have a drastic impact on our hiring process, including likely returning to a paper-based application hiring process, which will lead inevitably to higher

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

costs and less efficiency. To clarify, talent management is not a pay-for-performance system or intended to be used for pay-for-performance purposes. A talent management solution will assist the state in automating critical HR activities at all levels of state government. Most importantly, the talent management system will replace our current ten-year-old applicant tracking system. In this day and age of asking all state employees to do more with less, it is critical that our HR systems are efficient and user friendly and help us hire the right people into the right jobs and then ultimately retain them. Our agency believes this is so important we prioritized it and found a way to fund it using internal Administrative Services revolving funds. We did not request any additional funds, General or otherwise, to be appropriated for this project. Your preliminary budget recommendation eliminates the revolving fund authority in several agency programs which we had designated to implement talent management and which was included in the Governor's budget recommendation in the amounts of \$365,000 in FY '10 and \$615,000 in 2011. This funding is critical to continuing in improving the state's HR operations and I encourage you to consider reinstating it in your budget. Second, your preliminary budget cut in state personnel from \$6.9 million recommended by the Governor's budget to \$3.9 million significantly impairs our ability to fill temporary positions within state government. This is likely to result in increased state spending as agencies look to the private sector to provide temporary employees. The temporary employment program offers cost-effective temporary employment assistance to state agencies that experience workload surges, extended employee absences and/or special project assignments. At the appropriation level proposed in your preliminary budget, we will not be able to meet the temporary employment needs of state agencies. Using temporary services data for fiscal year 2007, we estimated the cost difference between agencies hiring individuals through our temporary program and hiring from a private firm to be almost \$700,000 per year, or \$1.4 million for the biennium. We believe it is much better to authorize revolving fund authority in the temporary employment program than to risk agencies spending more to seek outside temporary services. Third, Administrative Services provides a fleet of vehicles for employee use in performance of their duties. Your preliminary recommendations...your preliminary recommendation cuts

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

\$714,000 from the Governor's recommendation during the biennium. These funds are needed to fund the cost of fuel for the fleet and the rising cost of replacement vehicles. Without adequate funding for the fleet, we would be unable to purchase fuel. Similarly, we provide consolidated postage and printing services for all agencies. Each of these services saves the state money and requires a revolving fund appropriation that allows us to support the increased costs associated with postage and paper. Your preliminary recommendation reduces the appropriation requested for postage and printing by \$387,000 in the biennium. The reductions you have recommended impact the ability of Administrative Services to support the fleet, postage, and printing needs of state agencies. If these services cannot be provided by Administrative Services because of insufficient spending authority, state agencies will seek these services elsewhere and the state will ultimately pay more. Finally, I want to point out one item that was included in your preliminary recommendation but will require some discussion because of its amount. Included in the department's budget submission is a deficit request for the indemnification fund in the amount of \$803,000. The fund provides for the defense and payment of judgments when a current or former employee is sued personally for actions taken in the course and scope of employment. In this case, an employee was sued. The Attorney General represented the employee. There was a judgment against the employee, and the Attorney General settled the case while it was on appeal. An initial payment of \$75,000 was issued for the indemnification fund at the time of settlement. The remaining amount due of \$803,000 was submitted to you as a General Fund deficit request. I appreciate the committee's inclusion of this deficit request in your preliminary recommendations. Thank you for your time and I'd be happy to answer any questions you might have. [AGENCY 65]

SENATOR HEIDEMANN: Thank you. Are there any questions? Senator Mello.  
[AGENCY 65]

SENATOR MELLO: Thank you, Director. Just two real quick questions,... [AGENCY 65]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

CARLOS CASTILLO: Sure. [AGENCY 65]

SENATOR MELLO: ...same question I've asked most agency directors. How many number of full-time equivalent employee vacancies do you have currently in your agency? [AGENCY 65]

CARLOS CASTILLO: We have about 26. [AGENCY 65]

SENATOR MELLO: Okay. And how many...how many current positions in the Department of Administrative Services are political appointee positions? [AGENCY 65]

CARLOS CASTILLO: Well, you have to remember a couple different things though. Let me start by saying that Administrative Services houses administratively a couple of different divisions that don't report directly to me, report directly to the Governor--the Budget Office; CIO, who you'll hear from in just a little bit; and so...and the Capitol Commission. So in my office, it's just myself, obviously, I'm a political appointee, and I believe I have two other discretionary positions. [AGENCY 65]

SENATOR MELLO: Okay. Thank you. [AGENCY 65]

CARLOS CASTILLO: So out of the... [AGENCY 65]

SENATOR MELLO: Under your...under your... [AGENCY 65]

CARLOS CASTILLO: Yeah, exactly. Okay. [AGENCY 65]

SENATOR MELLO: Great. Perfect. [AGENCY 65]

CARLOS CASTILLO: Yeah. [AGENCY 65]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you.  
[AGENCY 65]

CARLOS CASTILLO: Thank you. [AGENCY 65]

BRENDA DECKER: Good afternoon. [AGENCY 65]

SENATOR HEIDEMANN: Welcome, Brenda. [AGENCY 65]

BRENDA DECKER: (Exhibit 2) Hello. I do have a handout, please. Good afternoon, Senators. My name is Brenda Decker, my last name is spelled D-e-c-k-e-r, and I'm the chief information officer for the state of Nebraska. I'm here to testify in support of the Governor's budget recommendations for the Office of the Chief Information Officer. The Governor's recommendations established a flat budget for the Office of the CIO that will allow for the continuation of services we provide to agency. The Office of the CIO's budget specifics are contained in five separate programs requests under the Department of Administrative Services. Specifically, these programs are the Office of the CIO Program 101 and the NITC; Program 170, which is intergovernmental data services; Program 172, which is information management services; Program 173, which is the Division of Communications; and Program 245, which is the Public Safety Communication System. We would respectfully request reconsideration of some of the items listed in the committee's preliminary budget in Programs 173 and 245. Specifically, in Program 173 the committee recommends a \$303,479 reduction in our revolving funds in both fiscal years '10 and '11. This budget issue is related to a transfer of funds from operations to salaries. The Office of the CIO proposed this transfer of funds and the accompanying \$300,000 savings as a proposal to keep our budget flat over the next biennium. It appears to us that by taking the additional reduction in our budget the committee has identified this as a second \$300,000 reduction in our budget. We're requesting the restoration of this spending authority. In Program 245, the Public Safety Communication System, we would request restoration of the General Funds as

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

identified in the Governor's budget recommendation. The General Funds being requested are \$9,828 in fiscal year '10 and \$18,733 in fiscal year '11. The Public Safety Communication System is in the initial stages of installation and implementation. Over the next two years, as the system begins to operate and bring on customers, we believe this small amount of General Funds will allow us to cover the salary increases of the staff and the health insurance increases without having to use the resources that are currently being dedicated to getting the system up and operational. It is anticipated that these General Funds will not be requested once the system is fully operational and supported by the users. During the Ninety-Ninth Legislature Session, the Nebraska Legislature passed LB921 merging the Information Technology Division of the Department of Administrative Services under the Office of the Chief Information Officer. This change was proposed and adopted to achieve efficiencies and economies for information technology, as well as to provide better coordination between policy and operations with an enterprise approach to technology issues affecting state agencies. While there's still work to be done, I'm happy to report that over the past two years the Office of the CIO has been able to document significant savings for the state by deploying new technologies and retiring others that are no longer needed. For example, by simply coordinating our purchases from one of our technology vendors, the state became eligible for discounts over the past two years totalling over \$1 million. This year we will retire some of those products from the state from this vendor, however, even with our retirement of those products we still anticipate our savings on this same contract to be over \$214,000. We continue to reevaluate the tools and technologies we use and our Web team alone has documented one-time savings over the past two years of over \$230,000 with annual maintenance savings exceeding \$58,000 a year. Much of this work is done in coordination with the technical people in the agencies and by standardizing our tools and equipment across agency lines. This same concept was used this year to replace the equipment used by the Legislature, the courts, and the Governor's Office for our closed circuit system. Through the efforts of all three branches of state government, the Office of the CIO and NET designed and installed the system that currently delivers these sessions on the televisions in our offices but also allows

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

that same stream to be delivered worldwide over the Internet to provide one more opportunity for a transparent government. Our reports from the Legislature indicate that an average of 300 people a day stop in to watch the Nebraska Legislature alone and we've seen visits from across Nebraska, from almost every state in the Union, and even international visitors have accessed the site to view our process. Although there are other states that do provide this service, Nebraska is the only state where all three branches of government share a system and have not duplicated the costs of installing and maintaining more than one. There are many other projects the Office of the CIO is involved in and has done considerable work on over the past two years that I'd love to share with you. However, in the interest of time, there is one other item I would like to update the committee on. That is the statewide interoperable Public Safety Communication System. This project was the result of several years of careful review and study by the Legislature, the Governor, and all affected state and local public safety agencies across the state on how to solve our inability to communicate between public safety systems and our fee for the system has been awarded and work has begun on the system. We are operating on an aggressive time frame that will see the first phase of the system ready acceptance by the state in late June of 2009. The system will be implemented in four phases, working from the western border of the state to the east. The goal is for full implementation, acceptance, and system completion by December of 2010. When the system was proposed to the Legislature, it was requested that non-General Fund sources be maximized as part of the financing plan. That plan has addressed this concern and the system design has taken advantage of existing infrastructure, federal Homeland Security grants, partnerships with federal and local entities, and agency funding sources that include cash funds. I have provided a handout that shows how the costs of the system and the funding streams that will be used for financing the system. The entities involved in this system are extremely grateful to both the Governor and the Legislature for your continued support of the new system. The implementation of a new wireless public safety platform will allow our state law enforcement to maximize new technologies, enhance interoperability between other systems, and improve public safety and security for all Nebraska citizens. I want to take

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

this opportunity to thank you for the consideration which you've shown for the management of technology in Nebraska and I'd be happy to answer any questions regarding our budget or technology management within the state. [AGENCY 65]

SENATOR HEIDEMANN: Thanks, Brenda. Are there any questions? Senator Mello. [AGENCY 65]

SENATOR MELLO: Thank you, Ms. Decker. I have just one question. How many full-time equivalent employees do you have vacant right now in your area? [AGENCY 65]

BRENDA DECKER: The number of FTE that are vacant in our agency currently is approximately...I want to say 27. We just had a retirement today and I think that...and I've got 2 more coming up. [AGENCY 65]

SENATOR MELLO: Okay. [AGENCY 65]

BRENDA DECKER: So 27 I believe is today. [AGENCY 65]

SENATOR HEIDEMANN: Any other questions? Seeing none, thanks, Brenda. [AGENCY 65]

BRENDA DECKER: You bet. Thank you. [AGENCY 65]

SENATOR HEIDEMANN: Welcome. [AGENCY 65]

BOB RIPLEY: Thank you, Mr. Chairman, members of the committee. My name is Bob Ripley, R-i-p-l-e-y. I serve as Capitol administrator for the Office of the Capitol Commission. It is my good fortune today to come forward and thank the committee for corroborating, in fact endorsing, the Governor's budget recommendation on behalf of



Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

our agency. We have to perhaps give you a little bit more background and reference 29 FTEs in our agency, 1 of which is vacant at the present time, an architect's position. We...the recommendation will...our budget is essentially broken, in our operations budget, into three primary components. One is about 35 percent of our budget is given to utilities for this building, another 35 percent to budget and to benefits for our employees, and the remaining 30 percent is the operational budget internally for our operation. We also...I want to thank the committee for affirming, in fact supporting, Governor's reaffirmation of two sums of money: one, the 901 Fund for internal repair within the building which is a sum we've had the good fortune of having, it's varied in amount but you've supported what the Governor's recommendation was for 901 funding for the next two years of this biennium...coming biennium; and also reaffirmation of the final year of what we call Fund 939, which is the sum of money to complete what is commonly known as the exterior masonry restoration of the Capitol. And so that we're heading into the final year of that reaffirmed amount, which will conclude the masonry project by the end of calendar 2010. And we do have one additional request that the committee has chosen to support, according to the Governor's recommendation, which was for \$1.892 million over the next two years of the biennium for upgrade and renovation of the four tower elevators in the Capitol. I will note that that work is...fees have already been committed by our office and the work, design work, is underway. This project, in terms of construction, is being done by companion legislation kindly provided by the 309 Task Force for Building Renewal. They've committed \$1.3 million to the project and the subsequent two years of the coming biennium at \$1 million and the second year at \$892,000-plus will complete the construction budget for that roughly three-year renovation project for the four elevators in the Capitol tower. Those conclude my general remarks. I will attempt to answer any questions you might have of me at this point. [AGENCY 65]

SENATOR HEIDEMANN: I'll make a quick comment. This is my fifth year up. When you said the masonry work is going to be done it just occurred on me I going to have a couple years left without having seeing cranes around the Capitol. [AGENCY 65]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

BOB RIPLEY: Thank you, Mr. Chairman. Our entire office is looking forward to seeing the Capitol look like a Capitol once again instead of an oil refinery and so (laughter) I couldn't support your comment more and we're as delighted as anyone to see the project come to a conclusion. I think we've had very good success with this project. It's worked very well and we really appreciate the Legislature and the Governor working with us to keep some funding available through some very thin economic times over the roughly last ten years. And so that's very appreciated. It's kept a very competent and skilled group of construction workers on site and keeping the work running with great experience and, in fact, a very efficient manner. So I feel the state has gotten very good value for the dollars committed to this project. And as you may know, the final stage of the project also involves replacement of the existing roof on the base element of the building, and that work is going well also. [AGENCY 65]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [AGENCY 65]

BOB RIPLEY: Thank you. [AGENCY 65]

SENATOR HEIDEMANN: Anyone else wishing to testify on Agency 65? Welcome.  
[AGENCY 65]

BOB CORNER: Senator Heidemann and members of Appropriations Committee, my name is Bob Corner, that's C-o-r-n-e-r. I'm a 32-year state employee. I'm here on my own time and I'm here representing NAPE/AFSCME--Nebraska Association of Public Employees/American Federation of State, County, Municipal Employees. Under the Collective Bargaining Act, which was technically started back in 1987 under the Kay Orr administration and by your former colleagues Jerome Warner and Bill Barrett really behind the Collective Bargaining Act, that bill was passed and in 1988-89 was the first year of collective bargaining. It was a one-year contract. Ever since, the contracts are reconciled with the biennium budget so from 1987 to the present there have been 12

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

contracts: 1 one-year contract and for the last 11 years two-year contracts. I've been on every bargaining negotiations on the two-year contracts. In fact, 8 out of the 11 I've been chief co-spokesperson for the NAPE/AFSCME bargaining team. And in all those previous contracts, when we reached an agreement with the state as far as salary increases and our insurance increases, which is the 79 percent that state pays, they were always funded at 100 percent of what was agreed to at the bargaining table. The current contract or the upcoming contract that will start this July 1 was negotiated and agreed to by the state bargaining team and by the management, state management team, and we were probably told numerous occasions, every time we tried to get an increase about 2.5 percent, we were told, no, the Governor is only going to fund 2.5 percent; the Governor is only going to fund 2.5 percent. We understood the Governor was only going to fund 2.5 percent. So to our surprise, in looking at your preliminary budget, and I understand that it is preliminary, but on page 12, the bottom paragraph under agency operations, it talks about included in here are agencies identified in their budget requests to offset projected salary and health insurance increases. And on page 15 it shows significant increases in salaries, significant increases in health insurance, and we appreciate that. But then it shows, under significant reductions, agency base reductions by over \$20 million: \$9 million-plus year one and over \$12 million year two. Even the year in the 2007-2009 contract when the union and the state could not reach agreement, this committee, with wisdom and foresight set aside dollars, enough dollars to cover the contract if and when NAPE/AFSCME won with the special master and the CIR, and both of those things came true. The union did prevail in that disagreement, yet, because of this committee, dollars were set aside and there wasn't chaos in the agency budgets because there wouldn't have been no money. The reason I'm giving you this brief history in talking about the budget is we think it's smoke in mirrors what's going on here with the bargaining contract this year. If the preliminary budget, as indicated on page 15, is approved, NAPE estimates there will be over 400 state jobs lost because of this budget because agencies are going to have to find money in their budget to cover the salary increases and insurance premium increases that the state should have funded at 100 percent. We keep hearing jobs, jobs, and more jobs, both on

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

the federal level and the state level, about keeping jobs in this state, about keeping youth in the state with good jobs so they don't have to move out of this state. Yet here we're looking at removing 400 already existing jobs. So we're asking what about just keeping those jobs? In all, as I stated, in all the other contracts, in every one of them, 100 percent of salaries and insurance was always funded. We never faced this situation before. And if a contract promise, where we shake hands and say we reach an agreement, only to find out later that, hey, that contract wasn't fulfilled, if the state treats their employees like that how can Nebraska citizens believe much of what the Governor or even the Legislature says then when they say, hey, we promise to do this or we promise to do that? So we're asking that those budgets be funded at 100 percent. Thank you very much. [AGENCY 65]

SENATOR HEIDEMANN: Comments or questions? I do hope you understand the tough economic times we're in and the revenue shortfalls that are in front of us. [AGENCY 65]

BOB CORNER: I can understand that, but some of those other budgets were during times of recession when we never had a huge reserve, and somehow they found it or they worked it out. I said if...a promise made should be a promise kept. [AGENCY 65]

SENATOR HEIDEMANN: Thank you. [AGENCY 65]

BOB CORNER: Thank you. [AGENCY 65]

MIKE MARVIN: (Exhibit 3) Good afternoon, Chairman Heidemann, members of the committee. My name is Mike Marvin, M-a-r-v-i-n. I'm executive director of NAPE/AFSCME Local 61, the union representing the majority of state employees. I will try not to repeat what Mr. Corner has said. In there you will see several papers. The DAS budget hearing points is what I'm going to mostly cover here and you will see behind it a sheet where we did some of our calculations showing where we're at and where we're coming from. What I would really like to talk about is the effects of these

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

agency reductions that you're showing in the preliminary budget. We're projecting over 400 jobs lost due to this. We keep hearing, as Mr. Corner had said, at the federal level, jobs, jobs, jobs. The stimulus package is out and it's about jobs. There's going to be money in the stimulus package for the state. We'll maybe have some budget savings in some areas that we'll be able to use, and I'll touch on that again in a minute. With the monetary effects on the communities, the state, and our employees that work for the state of Nebraska, you have good jobs, good-paying jobs with benefits disappearing from our cities and our towns. The average state employee, if you look on that second page, we estimate their wages and for contract purposes it was right around \$34,000 a year in wages. The benefit package as we were doing negotiations is about 40 percent of what the wages are. That averages it out, the families that have family insurance, the singles, pension, all that goes into those figures. Now in Omaha and Lincoln, that's a good-paying job, good benefits. When you start getting into outside of Omaha and Lincoln in the Cambridges, the Ainsworth, those types of areas, Mitchell, those are real good jobs in those areas. Those jobs are going to start disappearing from those communities and a lot of these people might not be able to afford their mortgage anymore. You might see defaults on their mortgages. You're going to see loss of property tax revenues. You're going to see losses of income tax revenues, sales tax, because they won't have the money. They're not going to be stimulating the economy, which is what we're trying to do. We're trying to get everything going back. We're probably going to put a drain on state services, social services. If these are parents with children and they lose their jobs, we're probably going to see kids going on to Medicaid, drawing money down on the state for the Medicaid. The parents will probably go without health insurance because they won't be able to afford it. If they get sick, they're going to go into the hospitals, whatever it takes, to get themselves...no health insurance to pay for it. It's going to be a drain on the community. Then they'll start reaching out and draw on some of our other social services, such as food stamps, ADC, TANF. Some of them might find jobs that don't pay as well and then they're going to get day-care subsidies so they can go back. It's, you know, a lot of people. We have a lot of working poor in this state who do qualify for those types of subsidies and I think you're going to be pushing

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

state employees into those types of things. We really don't see any need for this. You have the rainy day fund and it's raining. Let's get out there. We have almost \$600 million in our Cash Reserve. If we would take part of it, \$20 million from that, and then you have the federal stimulus money that's coming in, it's not just for the private sector, there's money there for us to use. And let's keep these people employed and let's put this money back in the budget. I would be willing to take any questions. [AGENCY 65]

SENATOR HEIDEMANN: Are there any questions? Senator Nantkes. [AGENCY 65]

SENATOR NANTKES: Hi, Mike. Thanks for coming in. [AGENCY 65]

MIKE MARVIN: You bet. [AGENCY 65]

SENATOR NANTKES: Just to be clear for the record, I know that you're utilizing the Department of Administrative Services' budget to talk about what seems to be a much broader issue in relation to the budget as a whole... [AGENCY 65]

MIKE MARVIN: Yes, we are. [AGENCY 65]

SENATOR NANTKES: ...and how it affects employees across agencies. Is that right? [AGENCY 65]

MIKE MARVIN: Yes. Yes, we are. [AGENCY 65]

SENATOR NANTKES: Okay. All right. Thank you. [AGENCY 65]

SENATOR HEIDEMANN: Senator Wightman. [AGENCY 65]

SENATOR WIGHTMAN: Mr. Marvin, you know, if we followed your suggestions to their logical conclusion, we would never cut the state employee at all. Do you think cutting

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

state employees is acceptable at all in an economic hard time? [AGENCY 65]

MIKE MARVIN: If there's no other alternative, yes, we'd have to do it. You know, I've had no other alternatives where I've had to lay people off, but I think we have alternatives here. I think we have the money to pay for them. I think we have the Cash Reserves. I think we have stimulus money coming in. So I think we need to explore those alternatives before we do it. [AGENCY 65]

SENATOR WIGHTMAN: And now all of us sit here not knowing how long this economic downturn is going to exist. I think any of us would be wearing blinders if we thought it was limited to two years. So looking only at a two-year biennial budget and seeing where we are at the end of that two years I don't think is very wise and prudent on our part because this could last four years. I happened to go to a conference in Philadelphia last week and I didn't hear anybody there suggesting it would be limited to two years. So I think we have to be more...look further in our approach than we would if we were only looking at two years, and right now I think \$377 million was the suggested deficit. I realize there may be stimulus money coming in but I think there's a real concern about spending that for new programs. I guess I'm wondering do you ever feel that cuts in employment are an acceptable solution to economic problems. [AGENCY 65]

MIKE MARVIN: There are times. There are times, but I don't believe this now is the time. Yes, we don't know whether it's going to last two years but we're dealing with a two-year budget right now. We're dealing, again as I said, we have stimulus money, we don't know how much for sure, we got a pretty good idea, and we have a \$600 million Cash Reserve. There should be the money...these cuts do not need to be this deep and in two years look at it again where we're at. [AGENCY 65]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [AGENCY 65]

MIKE MARVIN: Thank you. Boy, you guys are going to get out of here early now.

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
March 12, 2009

---

[AGENCY 65]

SENATOR HEIDEMANN: Let's hope so. Is anyone else wishing to testify on Agency 65? Seeing none, we will close up the public hearing on Agency 65. That's it for the day.

[AGENCY 65]